



Appropriations Committee Public Hearing Testimony - February 29, 2016

Good evening, Chairman Guerrara, Chairman Maynard and Members of the Transportation Committee. My name is Gene Bove. I am speaking for the union local that represents rank and file department of Motor Vehicle employees and is part of Council 4 AFSCME.

Our union urges you to reject laying off DMV employees or privatizing out our work. Our members recognize that these are challenging economic times. Yet, layoffs and privatization will make matters worse, rather than better.

Those of us who work in DMV are proud of the work we do and the public that we serve. We have had to do this under the most trying circumstances since the installation of a failed computerization system. The system was installed by privatized workers of the 3M Corporation out of Minnesota at a cost to state taxpayers of \$26 million. I recently listened to a legislator praise AAA for their speed in customer service as opposed to DMV. Of course, what was not said is that AAA operates under the old computer system instead of the new 3M disaster that state employees are working under. Also, AAA only does licensing. The biggest computer problem is with registration. How we wish that we still used old system that worked far better and was maintained by actual state employee computer techs, who we could speak to and who the state had direct control over.

As we have seen time and again, privatization yields poor results. Outsourcing state employee computer work has yielded shoddy results, unbelievably long and tortuous waits for the public, the unfair fining of members of the driving public, towing of their cars and a stain on Connecticut state government.

In 1995 New Jersey privatized much of its DMV functions. It was a disaster. A state commission looking into it in 2002 reported that "Privatization has not worked and appears to have exacerbated an already bad situation. Employees receive zero training and work under difficult working conditions with low pay and no benefits. It is not surprising that turnover is high and corruption flourishes."

OPM Secretary Ben Barnes testified last week that a substantial part of Connecticut's revenue problem has been the loss of middle income jobs and the growth of low wage jobs. This has cut into state revenue because low wage workers pay little tax and are unable to stimulate the economy through normal spending. Secretary Barnes power point presentation showed this.

All privatization is, is an attempt to drive down costs by seeking an ever lower wage and benefits. This chokes the consumption based economy that drives economic health for

Opinion: Privatization rears its ugly head in N.J. once again

A motorist pays the toll at Interchange 14C of the New Jersey Turnpike in 2011. *(Robert Sciarrino/The Star-Ledger)*

By Times of Trenton Guest Columnist

on April 17, 2014 at 2:21 PM, updated April 17, 2014 at 2:22 PM

By Tim Eustace

Privatization is once again rearing its ugly head in New Jersey.

This time, it's at the New Jersey Turnpike Authority, where the Christie administration is myopically seeking to lay off and privatize as many as 800 jobs. If one were to look at the history of failed privatizations in our state and others, it would be painfully apparent that it's not the solution to all the state's ills. Even worse, it can often cost taxpayers more money to eventually undo it.

The most high-profile example here in New Jersey was the Department of Motor Vehicles fiasco.

In 1995, New Jersey privatized the DMV. A state legislative report issued in 2002 said the DMV privatization resulted in "poor, disjointed and confused service delivery without consistency which has led to confusion and frustration in the minds of New Jersey citizens."

The report also noted that privatization "resulted in poorly paid employees who have received inadequate benefits, resulting in a high turnover rate at DMV agencies."

In 2003, New Jersey returned the DMV to state control, and today it is run much more efficiently.

We must question the wisdom of pursuing this privatization scheme when the numbers are examined.

Moreover, we must also factor in the increased drain on public resources — unemployment benefits and subsidies for health insurance and food stamps — that will occur when workers are laid off or forced to accept a lower wage. Each toll collector was already forced to take a \$16,000 pay cut to save his or her job in 2011. How will privatization affect these workers, who earn their living standing for hours in a small booth, amid oncoming traffic, breathing exhaust fumes —workers who have already lost more than 30 percent of their wages and benefits when they agreed to massive concessions just two years ago?

Just look at the high rate of unemployment and foreclosures in our state. In these tough economic times, New Jersey simply can't afford to destroy decent, middle-class jobs, especially when these harsh measures will fail to save toll payers a single dime.

Privatization has been an utter failure in nearly every single place it's been attempted. It means limited oversight and a lack of accountability, which is the last thing we should be pushing in light of the high-profile mismanagement and abuse that has taken place at the Port Authority of New York and New Jersey recently.

Tim Eustace, a Democrat, represents the 38th District in the New Jersey General Assembly.